

## **SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement and Release ("Agreement") is made between and among the State of New Jersey, Department of Treasury, Division of Investments by the Treasurer on behalf of the Common Pension Fund A, DCP Equity Fund, DCP Small Cap Equity Fund, Supplemental Annuity Collective Trust Fund, NJ Best Pooled Equity Fund, and Trustees for the Support of Public Schools Fund on the one hand ("Plaintiffs"), and Frank E. Walsh, Jr. on the other hand ("Walsh") (together with Plaintiffs, the "Parties").

**WHEREAS** in State of New Jersey, et al. v. Tyco International Ltd. et al. (United States District Court for the District of New Hampshire, Civil Action No. 03-1337-B; MDL No. 1335) (the "Action"), Plaintiffs have sued Walsh and others;

**WHEREAS**, Plaintiffs have asserted claims for, *inter alia*, violations of Sections 10(b) and 20a of the Securities Exchange Act of 1934, Sections 11 and 15 of the Securities Act of 1933, certain sections of the N.J. R.I.C.O statutes and various Blue Sky violations;

**WHEREAS** Walsh has denied any and all claims of wrongdoing, liability or damages;

**WHEREAS** the Parties now desire to settle any and all matters, disputes and claims they may have against one another relating to the Action;

**WHEREAS** the Parties do not intend for this Agreement to release any claims that Plaintiffs have against L. Dennis Kozlowski, and/or Mark H. Swartz, (the "Non-Settling Parties"), including, without limitation, those claims pending in, or relating to, the Action, nor do they intend for this Agreement to release any claims that Walsh has or will have against Tyco International Ltd, Tyco Electronics Ltd., Covidien Ltd. (collectively, "Tyco"), or any other party, including, without limitation, those claims relating to the Action or this settlement of the

Action, except to the extent that such claims may be impacted by the Bar Order to be entered as set forth below.

**THEREFORE**, in consideration of the promises in this Agreement, the Parties agree as follows:

1. **EXECUTION DATE.** The Execution Date of this Agreement will be the date as of which the Agreement is fully executed.
2. **SETTLEMENT FUNDS.** Within seven (7) days of the Execution Date, Walsh will initiate and complete a payment by wire(s) to Plaintiffs, in accordance with the instructions attached hereto as Exhibit A in the amount of \$5,600,000.00 (FIVE MILLION, SIX HUNDRED THOUSAND DOLLARS AND NO CENTS) (the "Settlement Funds") to the account of Riker Danzig, Scherer, Hyland & Perretti LLP.
3. **DISMISSAL OF THE ACTION.** Upon full execution of this Agreement and the receipt of the Settlement Funds in accordance with paragraphs 1 and 2 above, the Parties' counsel shall execute (or authorize the use of their electronic signature on) and deliver to Walsh's counsel an Agreed Order of Dismissal and Bar Order (the "Dismissal Order") in the form attached as Exhibit B. Walsh's counsel shall file the Dismissal Order with the Court on or before November 9, 2009, in accordance with the instructions of the Court on September 9, 2009. In the event Walsh's counsel fails to file the Dismissal Order as provided herein, Plaintiffs' counsel may file the Dismissal Order any time after November 10, 2009.
4. **ALLOCATION.** The Parties agree that 10% of the Settlement Funds (\$560,000) is allocated to the alleged untimely disclosure of Tyco's \$10 million payment to Walsh and \$10 million contribution to a charity designated by Walsh for Walsh's services in connection with Tyco's acquisition of CIT (the "Walsh Payment"). The remaining 90% of the

Settlement Funds is allocated to Plaintiffs' claims arising under Sections 11 and 15 of the Securities Act of 1933, and Sections 20(a) of the Securities Exchange Act of 1934. While Plaintiffs continue to maintain the merit of their state law claims against Walsh (and nothing contained herein shall be construed otherwise), the Parties acknowledge and agree that no portion of this settlement is allocated to Plaintiffs' claims under any State's statutory or common law, although all such claims will be dismissed and released as part of this settlement. The parties make this allocation in good faith and consistent with their respective experts' damages analyses and opinions. The acceptance or rejection of this allocation of Settlement Funds by any court, administrative body or any other person or entity shall have no effect on the validity or enforceability of this Settlement Agreement or the obligations of the Parties hereunder.

5. **DISCLOSURE.** The Parties expressly agree that they will not issue a press release or otherwise initiate the disclosure of the existence, terms or amount of this Settlement Agreement prior to the filing of the Dismissal Order, as provided in paragraph 3. After the filing of the Dismissal Order, the Parties may in their sole discretion issue a press releases or otherwise initiate the disclosure of the existence, terms or amount of this Settlement Agreement. Nothing herein shall prevent the Parties at any time from disclosing the existence, terms or amount of this Settlement Agreement in response to requests for such information made by third parties, where such inquiries were not initiated or solicited by any Party.

6. **NO ADMISSION.** The Parties expressly deny, and this agreement is not an admission of, any wrongdoing or any liability to each other on any grounds. They agree that this Agreement reflects the compromise of disputed claims and is made only to avoid the expense, inconvenience and disruption that would result from continued litigation.

7. **MUTUAL RELEASES.**

a. Upon receipt of the Settlement Funds by Plaintiffs and except as provided herein, Plaintiffs hereby release Walsh and his heirs, executors, administrators, trusts, trustees, successors, assigns, insurers, and agents from any and all claims, liability and damages of any kind, known or unknown, in contract, tort or otherwise, which were or could have been asserted in the Action which arise out of, relate to or are based upon the subject matter, allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth or referred to in the Complaint, in the Action or in the prosecution, defense or settlement of the Action, except claims to enforce this Settlement Agreement (the "Plaintiffs' Released Claims"), provided however, that the foregoing release does not extend to any Non-Settling Party.

b. Upon receipt of the Settlement Funds by Plaintiffs and except as provided herein, Walsh hereby releases Plaintiffs and all of their respective present and former parents, subsidiaries, affiliates, officers, directors, employees, partners, principals, advisors, counsel, predecessors, successors and assigns, estates, heirs, executors, trusts, trustees, administrators, fiduciaries, consultants, representatives, accountants and, insurers and agents of each of them and any person who is or was related to or affiliated with any of the foregoing (*provided however*, that the foregoing does not include any of the Non-Settling Parties), from any and all claims, liability and damages of any kind, known or unknown, in contract, tort or otherwise, which were or could have been asserted in the Action which arise out of, relate to or are based upon the subject matter, allegations, transactions, facts, matters, occurrences, representations or omissions involved, set forth or referred to in the Complaint, in the Action or in the prosecution, defense or settlement of the Action, except claims to enforce this Settlement Agreement (the "Walsh Released Claims"), *provided, however*, that the foregoing release does not extend to Tyco or any

or its insurers against whom Walsh has asserted, or may assert claims with respect to the Action, this settlement, or otherwise.

8. **ATTORNEYS' FEES AND EXPENSES.** The Parties agree that the Settlement Funds constitutes the entire payment to be made in settlement of the Action and that the Parties will not seek to recover from each other their attorneys' fees and expenses in connection with all matters related to this dispute and its settlement; provided, however, that nothing in this Agreement shall release, waive or affect the validity or enforceability of any existing indemnification rights or insurance claims that Walsh may have against Tyco or its insurers.

9. **CHOICE OF LAW.** This Agreement shall be construed and enforced under, and in accordance with, the laws of the State of New Jersey.

10. **EXCLUSIVE JURISDICTION.** For purposes of any suit, action or proceeding involving this Agreement, the Parties hereby expressly submit to the exclusive jurisdiction of the U.S. District Court for the District of New Hampshire while the Action remains pending there and thereafter to the U.S. District Court for the District of New Jersey following remand and consent that any order, process, notice of motion or other application to or by such court or a judge thereof may be served within or without such court's jurisdiction by registered mail or by hand.

11. **ENTIRE AGREEMENT.** The Parties fully understand and agree to the terms and provisions of this Agreement, acknowledging that there are no promises, representations or agreements in connection with this Agreement other than those specifically set forth herein, and that they intend this to be a final and binding settlement and release of all the Plaintiffs' Released Claims and Walsh's Released Claims, whether or not they have been

previously asserted or articulated. Accordingly, the Parties agree not to assert in any forum that: (a) the Action was brought or defended in bad faith or without reasonable basis; or (b) any Party or any Party's Counsel committed any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution or defense of the Action.

12. **NO THIRD-PARTY BENEFICIARIES.** The Parties do not intend to confer any right or remedy upon any individual or entity other than the Parties, and in no event shall anything contained in this Agreement provide any third-party beneficiary rights to any person or entity.

13. **ADVICE OF COUNSEL.** The Parties agree that they have had the opportunity to have counsel of their choosing review this Agreement prior to signing it and have sought appropriate legal advice from counsel regarding this Agreement.

14. **AUTHORITY.** All persons executing this Agreement warrant and represent that they have full authority and have obtained all necessary consents or approval from the entities for which they execute this Agreement.

15. **COUNTERPART SIGNATURES.** This Agreement may be signed in one or more counterpart copies, each of which, taken together, shall constitute one and the same Agreement though no single counterpart bears all Parties' signatures.

**IN WITNESS WHEREOF**, the undersigned have executed this document as of the date noted below.

Date: \_\_\_\_\_

State of New Jersey, Department of Treasury,  
Division of Investments, on behalf of the Common  
Pension Fund A, DCP Equity Fund, DCP Small  
Cap Equity Fund, Supplemental Annuity Collective  
Trust Fund, NJ Best Pooled Equity Fund, and  
Trustees for the Support of Public Schools Fund

By: \_\_\_\_\_  
William Clark  
Director, Division of Investment

Date: \_\_\_\_\_

\_\_\_\_\_  
Frank E. Walsh, Jr.

**EXHIBIT A**  
**TO SETTLEMENT AGREEMENT AND RELEASE**

Riker Danzig Trust Account wire transfer instructions are:

Wachovia Bank, NA

190 River Road

Summit, NJ, 07901-1444

ABA routing no. 031201467

SWIFT CODE: PNBPU33A

Account Name: Riker, Danzig, Scherer, Hyland & Perretti, LLP Trust  
Account

Account no. 2085650015280



**EXHIBIT B**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW HAMPSHIRE

----- X  
IN RE TYCO INTERNATIONAL LTD.,  
SECURITIES, DERIVATIVE AND "ERISA"  
LITIGATION  
----- X

MDL Docket No. 02-1335-B

This Document Relates To:

STATE OF NEW JERSEY, DEPARTMENT  
OF TREASURY, DIVISION OF  
INVESTMENTS BY TREASURER JOHN E.  
McCORMAC, on behalf of the COMMON  
PENSION FUND A, DCP EQUITY FUND,  
DCP SMALL CAP EQUITY FUND,  
SUPPLEMENTAL ANNUITY COLLECTIVE  
TRUST FUND, NJ BEST POOLED EQUITY  
FUND, and TRUSTEES FOR THE SUPPORT  
OF PUBLIC SCHOOLS FUND,

Docket No. 03-1337-B

Plaintiffs,

v.

TYCO INTERNATIONAL LTD.,  
L. DENNIS KOZLOWSKI, MARK H.  
SWARTZ, MARK A. BELNICK,  
PRICEWATERHOUSECOOPERS, LLP,  
PRICEWATERHOUSECOOPERS,  
FRANK E. WALSH, JR., RICHARD S.  
BODMAN, JOHN F. FORT, III, JAMES S.  
PASMAN, JR., and WENDY E. LANE,

Defendants.  
----- X

**AGREED ORDER AND FINAL JUDGMENT OF DISMISSAL WITH  
PREJUDICE AGAINST FRANK E. WALSH AND BAR ORDER**

## EXHIBIT B

Plaintiffs in the above-captioned action (the “New Jersey Plaintiffs”) and Defendant Frank E. Walsh (each a “Settling Party” and collectively the “Settling Parties”) have represented to the Court that they have entered into a Settlement Agreement and Release (the “Settlement Agreement”) that resolves all issues between and among them that are involved, set forth, or referred to in the Second Amended Complaint. All defined terms set forth herein are defined in the Settlement Agreement.

For good cause shown, it is hereby ORDERED that:

1. **Bar Order.** As provided in Section 21D-4(f)(7)(A) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(f)(7)(A), to the maximum extent permissible under applicable law, and without agreeing or otherwise admitting that the “Non-Released Parties” (defined below) have any claim or right to contribution against any Settling Party: (a) Defendants L. Dennis Kozlowski and Mark H. Swartz (collectively the “Non-Settling Defendants”) and Tyco International Ltd.,<sup>1</sup> Mark A. Belnick, Richard S. Bodman, John F. Fort, III, James S. Pasman, Wendy E. Lane, PricewaterhouseCoopers and PricewaterhouseCoopers LLP (the “Previously-Settled Defendants,” together with the Non-Settling Defendants the “Non-Released Parties”) are hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for or otherwise seeking contribution against any Settling Party based upon,

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<sup>1</sup> In and around June 2007, the entity formerly known as Tyco International Ltd. (“Tyco”) separated into three entities, Tyco International Ltd., Covidien Ltd., and Tyco Electronics Ltd. References herein to “Tyco International Ltd.” include all three of these entities.

relating to, or arising out of the Released Claims; (b) each Settling Party is hereby permanently barred, enjoined, and restrained from commencing, prosecuting, or asserting any claim for contribution against each other or against any other person based upon, relating to, or arising out of the Released Claims.

2. Because there is no just reason for delay in the entry of this ORDER and FINAL JUDGMENT with respect to the claims asserted by the New Jersey Plaintiffs against Frank E. Walsh, Jr., all claims asserted by the New Jersey Plaintiffs against Frank E. Walsh, Jr. are DISMISSED WITH PREJUDICE pursuant to Federal Rule of Civil Procedure 54(b). This action is not dismissed with respect to any claims asserted against the Non-Settling Defendants.

3. The Clerk of the Court is expressly directed to enter this Agreed Order and Final Judgment of Dismissal with Prejudice against Frank E. Walsh and Bar Order as a final judgment and to send a copy of same to all counsel of record.

AGREED AS TO FORM:

SHALOV STONE BONNER & ROCCO  
LLP

RIKER, DANZIG, SCHERER,  
HYLAND & PERRETTI LLP

By: \_\_\_\_\_  
Patrick L. Rocco  
James P. Bonner  
Counsel for New Jersey Plaintiffs

By: \_\_\_\_\_  
Gerald A. Liloia  
Michael P. O'Mullan

STROOCK & STROOCK & LAVAN  
LLP

By: \_\_\_\_\_  
Laurence Greenwald  
Michele Pahmer

Counsel for Frank E. Walsh, Jr.

IT IS SO ORDERED.

Entered: \_\_\_\_\_, 2009

\_\_\_\_\_  
The Honorable Paul Barbadoro  
United States District Court Judge